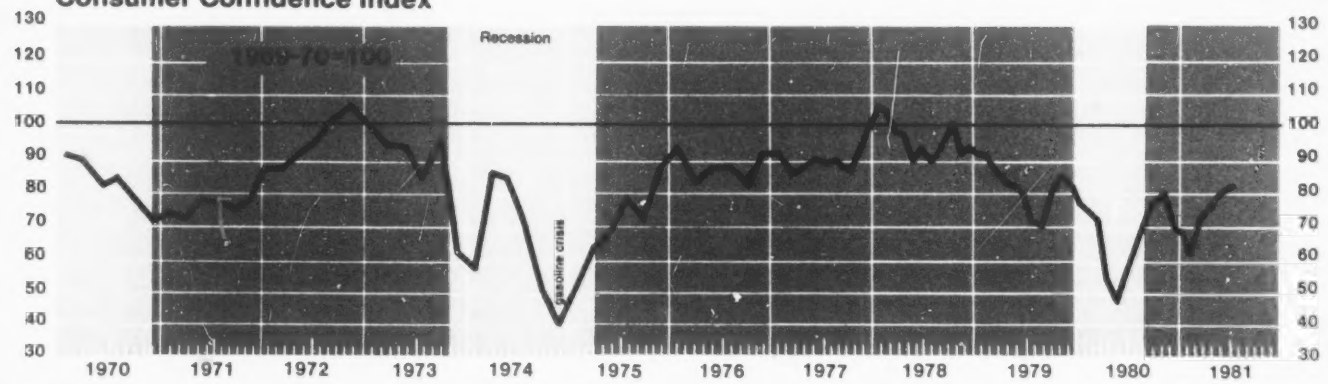
# Consumer Attitudes and Buying Plans

A Monthly Report from The Conference Board

Based on a Survey Conducted by National Family Opinion, Inc.

August, 1981

## Consumer Confidence Index




### CONFIDENCE CONTINUES STEADY, PLANS TO BUY HOMES DECLINE

The consumers' mood improved again in July for the fifth consecutive month. The Board's Confidence Index (1969-70 = 100) edged up to 81.8. Although recent increases have been fragile—about 2 points on the Index—the trend is still reassuring, given the sharp drop in the economy in the second quarter. Buying plans have edged off from their revised June level, but this is due almost entirely to fewer intentions to purchase a home.

In reviewing the current scene, consumers are slightly more positive in their view of business conditions, but there is increasing concern about the employment situation.

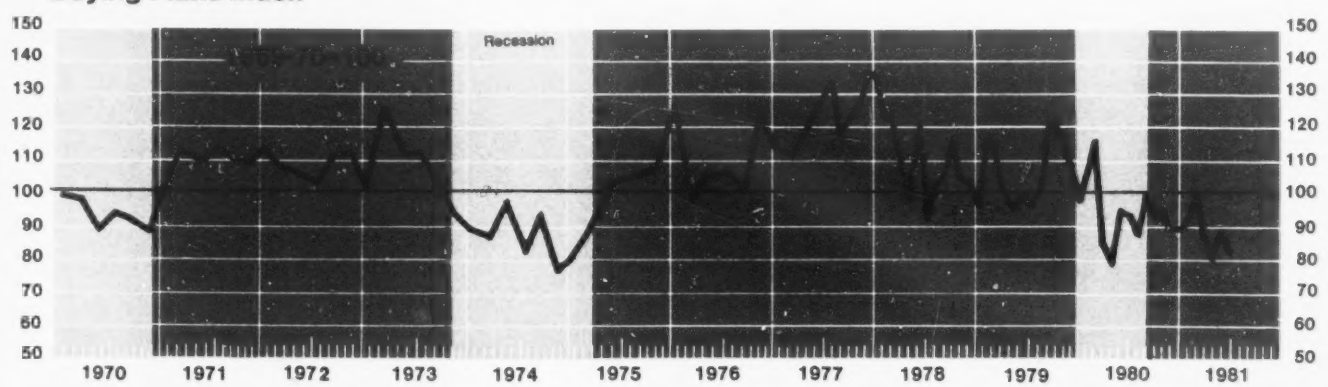
While they are more optimistic in their expectations for the future, the small improvement in this segment of the Confidence Index results from a decline in those who expressed a pessimistic view about the future, rather than a rise in the number of optimists. Only 9.6% of respondents now fear that business conditions will worsen over the next six months, down from 12% in the prior probe. There was also a decline, although a rather small one, in those who expressed apprehension about job prospects in the months ahead. In assessing their own financial outlook, expectations are pretty much the same as in the previous probe.

Intentions to purchase an automobile—new or used—are unchanged: some 6.4% of respondents said that they would make a car purchase in the next six months. Plans to buy a home dropped quite a bit, however, to 2.0% from the previous 2.6 percent. The increase in mortgage rates certainly had a lot to do with this.

Interest in securing a major appliance was expressed by about 26% of all respondents, down fractionally from the preceding month. Plans to purchase were off most for color television sets, vacuum cleaners, clothes dryers, and air conditioners.

Fabian Linden

## Buying Plans Index




All data seasonally adjusted

## Consumer Expectations and Intentions

**Based on surveys conducted by National Family Opinion, Inc.**
Percentage of all households

| All series seasonally adjusted | 1980 July | Aug. | Sept. | Oct. | Nov. | Dec. | 1981 Jan. | Feb. | Mar. | Apr. | May | June(r) | July(p) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Composite Series: Index Numbers, 1969-1970 = 100** | | | | | | | | | | | | | |
| Consumer Confidence Index | 62.9 | 67.5 | 75.1 | 76.7 | 79.9 | 68.0 | 67.7 | 61.1 | 70.9 | 75.5 | 78.0 | 79.9 | 81.8 |
| Present Situation | 42.0 | 40.6 | 49.6 | 47.6 | 49.5 | 46.1 | 45.4 | 42.8 | 49.1 | 52.3 | 55.6 | 54.6 | 56.6 |
| Expectations | 76.9 | 85.4 | 92.1 | 96.1 | 100.1 | 82.7 | 82.5 | 73.3 | 85.4 | 91.1 | 92.9 | 96.8 | 98.5 |
| Buying Plans Index | 92.9 | 86.6 | 99.2 | 91.8 | 94.2 | 89.2 | 89.9 | 91.9 | 98.7 | 86.8 | 79.6 | 89.3 | 81.7 |
| **Appraisal of Present Situation: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Good | 14.3 | 13.8 | 17.2 | 15.8 | 16.0 | 15.6 | 14.5 | 14.3 | 15.8 | 15.3 | 16.5 | 18.0 | 19.2 |
| Bad | 34.5 | 35.2 | 30.3 | 30.7 | 30.1 | 31.6 | 33.5 | 34.8 | 31.2 | 29.2 | 27.5 | 28.7 | 25.4 |
| Normal | 51.2 | 51.0 | 52.5 | 53.5 | 53.9 | 52.8 | 52.0 | 50.9 | 53.0 | 55.5 | 56.0 | 53.3 | 55.4 |
| Employment | | | | | | | | | | | | | |
| Jobs plentiful | 10.7 | 10.3 | 11.5 | 11.5 | 11.7 | 11.0 | 11.8 | 11.2 | 12.3 | 13.7 | 14.0 | 13.2 | 12.5 |
| Jobs not so plentiful | 47.7 | 47.8 | 49.1 | 49.0 | 50.9 | 49.2 | 49.4 | 47.6 | 49.4 | 49.4 | 50.0 | 49.5 | 48.6 |
| Jobs hard to get | 41.6 | 41.9 | 39.4 | 39.5 | 37.4 | 39.8 | 38.8 | 41.2 | 38.3 | 36.9 | 36.0 | 37.3 | 38.9 |
| **Expectations for Six Months Hence: Percent** | | | | | | | | | | | | | |
| Business Conditions | | | | | | | | | | | | | |
| Better | 19.2 | 21.6 | 24.3 | 22.4 | 24.9 | 19.7 | 19.6 | 17.7 | 20.8 | 21.1 | 21.6 | 23.9 | 22.6 |
| Worse | 20.9 | 19.0 | 14.7 | 13.6 | 11.3 | 16.9 | 17.5 | 20.8 | 15.2 | 12.3 | 11.2 | 12.0 | 9.6 |
| Same | 59.9 | 59.4 | 61.0 | 64.0 | 63.8 | 63.4 | 62.9 | 61.5 | 64.0 | 66.6 | 67.2 | 64.1 | 67.8 |
| Employment | | | | | | | | | | | | | |
| More jobs | 16.1 | 18.3 | 19.5 | 19.7 | 20.3 | 15.6 | 15.4 | 13.0 | 15.1 | 14.9 | 15.7 | 19.2 | 18.2 |
| Fewer jobs | 27.1 | 25.5 | 21.7 | 19.5 | 18.1 | 24.8 | 25.0 | 27.5 | 22.7 | 19.8 | 18.9 | 19.3 | 18.7 |
| Same | 56.8 | 56.2 | 58.8 | 60.8 | 61.6 | 59.6 | 59.6 | 59.5 | 62.2 | 65.3 | 65.4 | 61.5 | 63.1 |
| Income | | | | | | | | | | | | | |
| Increase | 28.3 | 33.0 | 31.8 | 31.9 | 31.9 | 30.5 | 32.0 | 28.3 | 28.5 | 32.6 | 31.0 | 32.3 | 32.4 |
| Decrease | 10.5 | 8.0 | 9.4 | 6.8 | 7.6 | 8.7 | 8.4 | 9.9 | 8.3 | 8.1 | 9.0 | 8.2 | 7.9 |
| Same | 61.2 | 59.0 | 58.8 | 61.3 | 60.5 | 60.8 | 59.6 | 61.8 | 63.2 | 59.3 | 60.0 | 59.5 | 59.7 |
| **Plans to Buy Within Six Months: Percent** | | | | | | | | | | | | | |
| Automobile | | | | | | | | | | | | | |
| Yes | 7.0 | 6.2 | 7.4 | 6.7 | 7.2 | 6.7 | 7.2 | 7.3 | 7.8 | 5.7 | 5.5 | 6.5 | 6.4 |
| New | 3.3 | 3.0 | 4.2 | 3.7 | 3.8 | 3.3 | 3.5 | 3.6 | 4.1 | 3.2 | 3.1 | 3.2 | 3.2 |
| Used | 3.4 | 2.6 | 2.8 | 2.7 | 3.3 | 3.4 | 3.4 | 3.4 | 3.4 | 2.1 | 2.1 | 3.1 | 2.9 |
| Uncertain | 0.3 | 0.6 | 0.4 | 0.3 | 0.1 | 0 | 0.3 | 0.3 | 0.3 | 0.4 | 0.3 | 0.2 | 0.3 |
| Home | | | | | | | | | | | | | |
| Yes | 2.8 | 2.6 | 2.9 | 2.7 | 2.6 | 2.7 | 2.3 | 2.6 | 2.9 | 3.0 | 2.4 | 2.6 | 2.0 |
| New | 0.7 | 0.5 | 0.9 | 0.7 | 0.8 | 0.6 | 0.7 | 0.7 | 0.7 | 1.0 | 0.4 | 0.6 | 0.6 |
| Lived in | 1.5 | 1.1 | 1.2 | 1.3 | 1.1 | 1.4 | 1.1 | 1.5 | 1.3 | 1.3 | 1.4 | 1.3 | 1.1 |
| Uncertain | 0.6 | 0.9 | 0.8 | 0.7 | 0.7 | 0.7 | 0.5 | 0.4 | 0.9 | 0.7 | 0.6 | 0.7 | 0.3 |
| Major appliances | | | | | | | | | | | | | |
| Total plans | 26.1 | 26.0 | 28.9 | 25.8 | 27.5 | 25.5 | 26.3 | 24.3 | 26.2 | 26.7 | 22.9 | 27.0 | 26.1 |
| Refrigerator | 3.6 | 3.7 | 4.5 | 3.2 | 3.7 | 3.1 | 3.2 | 3.5 | 3.6 | 3.6 | 3.3 | 3.9 | 4.1 |
| Washing machine | 3.9 | 3.2 | 4.1 | 3.0 | 3.7 | 3.6 | 3.2 | 2.6 | 3.3 | 3.1 | 2.9 | 3.7 | 3.6 |
| Black and white TV | 1.0 | 1.6 | 1.5 | 1.3 | 1.4 | 1.3 | 1.1 | 0.9 | 1.2 | 1.3 | 1.0 | 1.3 | 1.3 |
| Color TV | 6.3 | 6.4 | 6.7 | 5.9 | 6.0 | 5.3 | 6.1 | 5.7 | 5.7 | 6.0 | 5.4 | 6.1 | 5.8 |
| Vacuum cleaner | 4.6 | 4.3 | 5.0 | 5.0 | 4.8 | 4.3 | 5.1 | 4.6 | 5.2 | 4.7 | 4.0 | 4.6 | 4.3 |
| Range | 2.3 | 2.7 | 3.0 | 2.4 | 2.5 | 3.1 | 3.1 | 2.6 | 2.6 | 3.2 | 2.3 | 2.5 | 2.7 |
| Clothes dryer | 2.8 | 2.7 | 2.8 | 3.0 | 3.1 | 2.9 | 2.9 | 2.4 | 2.6 | 2.9 | 2.4 | 2.9 | 2.7 |
| Air conditioner | 1.6 | 1.4 | 1.3 | 2.0 | 2.3 | 1.9 | 1.6 | 2.0 | 2.0 | 1.9 | 1.6 | 2.0 | 1.6 |
| Carpet | 8.3 | 8.9 | 10.3 | 10.9 | 9.6 | 9.5 | 8.0 | 8.5 | 9.5 | 8.2 | 9.0 | 8.4 | 7.7 |
| **Vacation Intended Within Six Months: Percent** | | | | | | | | | | | | | |
| Vacation Intended | | 43.3 | | 44.7 | | 43.9 | | 42.7 | | 45.6 | | 46.8 | |
| Destination | | | | | | | | | | | | | |
| Home state | | 10.9 | | 11.0 | | 11.3 | | 10.6 | | 11.1 | | 11.2 | |
| Other states | | 29.9 | | 31.0 | | 29.8 | | 29.5 | | 31.8 | | 32.1 | |
| Foreign country | | 4.6 | | 4.1 | | 4.2 | | 4.0 | | 4.0 | | 4.3 | |
| Means of Travel | | | | | | | | | | | | | |
| Automobile | | 31.3 | | 32.9 | | 30.9 | | 30.1 | | 33.3 | | 35.4 | |
| Airplane | | 11.5 | | 11.8 | | 12.3 | | 12.8 | | 11.9 | | 11.6 | |
| Other | | 2.7 | | 2.8 | | 2.6 | | 2.5 | | 2.8 | | 3.5 | |

Note: All 1980 data have been adjusted to reflect that year's revised seasonal factors. (p)—preliminary (r)—revised

Please Note: In the interest of speeding the data contained in this publication to you, these series are now available on-line through The Conference Board Data Base. For more information, contact Linette Stein at (212) 759-0900.